



2. Beginning on or about March 12 or 13, 2007, Self provided confidential information regarding the potential MEDI acquisition to Goldfield. Based on the material nonpublic information provided by Self, Goldfield unlawfully traded in the securities of MEDI prior to the April 23, 2007 public announcement that AstraZeneca would acquire MEDI. As a result of his illegal trading, Goldfield realized actual profits of \$13,978,752.

3. By knowingly or recklessly engaging in the conduct described in this Complaint, Defendants Self and Goldfield violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

#### **JURISDICTION AND VENUE**

4. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1] to enjoin such acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties and such other and further relief as the Court may deem just and appropriate.

5. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1 and 78aa].

6. Venue in this district is proper under Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, and courses of business constituting the violations alleged herein occurred within the Eastern District of Pennsylvania and elsewhere, and were effected, directly or indirectly, by making use of the means or instrumentalities of transportation or communication in interstate commerce, or of the mails, or the facilities of a national securities exchange.

## DEFENDANTS

7. Stephen R. Goldfield, age 46, resides in Odessa, Florida and is a currently unemployed, former hedge fund manager who makes his living trading securities on his own behalf. Goldfield met Self while they were both attending the Executive MBA Program at the Wharton School of Business from 1994-1996. During the relevant period, Goldfield maintained brokerage accounts at a registered broker-dealer with his registered representative located in Philadelphia, Pennsylvania.

8. James W. Self, Jr., age 45, resides in Doylestown, Pennsylvania. Self is, and was during the relevant time period, an Executive Director of Business Development at the Company. His duties included overseeing the vaccine division of the Company.

## FACTS

### **A. Self Possessed Material Nonpublic Information about the Potential MEDI Acquisition.**

9. Prior to its acquisition, MEDI was a pharmaceutical company that manufactured, among other products, the FluMist vaccine. MEDI common stock was traded on the NASDAQ under the ticker symbol "MEDI." During the first quarter of 2007, average daily trading volume in MEDI was 4,907,100 shares and the stock traded at an average price of \$33.30 per share.

10. In early 2007, MEDI began to explore whether the company could continue to operate on a stand alone basis. On or about March 7, 2007, the Board of Directors authorized MEDI management, with the assistance of an investment banking firm (the "Investment Bank"), to initiate an information gathering process to determine whether any third party had an interest in acquiring MEDI. As a result of this directive, from on or about March 8, 2007 through or about March 18, 2007, MEDI, through the Investment Bank, contacted twenty-two of the largest global pharmaceutical and biotechnology companies to assess their interest in acquiring MEDI.

11. The Investment Bank contacted the Company on or about March 8, 2007, and the Company began its due diligence process. On or about March 12, 2007, Self was assigned to the deal team tasked with evaluating a potential acquisition of MEDI by the Company.

12. On or about March 12, 2007, Self received an email that contained a Confidential Deal Sheet created by the Investment Bank which described MEDI and the procedure for the subsequent auction. Among other things, the Confidential Deal Sheet contained a section entitled "Process Overview" which stated that "Medimmune expects to solicit indications of value in early April."

13. On or about March 13, 2007, the Company's management held a kickoff meeting concerning the proposed acquisition. There were approximately twenty-six attendees at this meeting, including Self.

14. Between on or about March 13, 2007 and on or about April 4, 2007, the Company continued its due diligence. During this period, Self acted as the project leader primarily responsible for overseeing the evaluation of the vaccines portion of MEDI's business in order to develop forecasts for use in determining an appropriate bid to acquire MEDI. In addition, as a member of the core deal-team, Self attended numerous meetings regarding a potential acquisition of MEDI.

15. On or about April 5, 2007, the Company submitted a bid to acquire MEDI at \$51 per share for all outstanding shares of the Company. Self learned that the Company was making a bid of approximately \$51 on or about the same date.

16. On or about April 6, 2007, the Investment Bank informed the Company that it had made it to the "second round" and that it should reconsider its bid and make any additional offers. Self learned that the Company had made it to the "second round" on or about the same

date and that final bids would be due on April 20, 2007.

17. On or about April 20, 2007, Self learned that the Company decided not to make any additional bids.

18. During the time period from on or about March 12 through on or about April 20, 2007, Self spent the vast majority of his time working on the potential MEDI acquisition. Self was involved in practically all of the Company's substantive meetings regarding the due diligence, submission of the bid, and other matters relating to the potential MEDI acquisition. This was the most significant potential acquisition that Self had worked on during his career.

19. Ultimately, the Company was unsuccessful in its bid and, on April 23, 2007, MEDI announced that it had entered into an agreement with AstraZeneca to be acquired for \$58 per share.

**B. Self Tipped Goldfield, Who Traded on the Basis of the Material Nonpublic Information About the Potential MEDI Acquisition.**

20. Self and Goldfield first met while attending the Wharton School of Business together from 1994-1996. During the early 2007 time frame, Self and Goldfield maintained a personal friendship and spoke on the telephone frequently.

21. In addition to their friendship, Self and Goldfield occasionally collaborated on potential business ventures, including discussions to acquire or license various food and health care related products. In or around 2003 or 2004, Self also borrowed money from Goldfield on two occasions in order to buy shares of banks that were going public.

22. Although Self resided in Doylestown, Pennsylvania, and Goldfield resided in Odessa, Florida during the relevant time period, Self and Goldfield saw each other frequently in early 2007 because Goldfield traveled to Doylestown at least once a month to visit his father.

23. Goldfield was in the Doylestown area from on or about March 8 through on or

about March 14, 2007, the same time period during which Self was officially assigned to work on the Company's potential acquisition of MEDI.

24. On or about March 12 or 13, 2007, Self and Goldfield spent an evening together at Self's home, while Goldfield was in town visiting his father. During this evening, Self provided nonpublic information to Goldfield about MEDI, specifically that MEDI was on the auction block and that the Company was considering the acquisition of MEDI. In addition, Self showed Goldfield the Confidential Deal Sheet received by the Company from the Investment Bank which described MEDI and the procedure and planned timing for the subsequent confidential auction process. Self also disclosed to Goldfield that he was assigned to work on the potential MEDI acquisition for the Company. At the time, none of these facts were public.

25. Self divulged the confidential information to Goldfield in order to boost his reputation in Goldfield's eyes and to show Goldfield that he was working on important matters.

26. After receiving the material nonpublic information regarding the MEDI auction, Goldfield attempted to purchase MEDI call options by placing a limit order on March 14, 2007, the day he returned home to Odessa, Florida from his visit to Pennsylvania. Goldfield's March 14 limit order was not filled because the options never reached the limit price. Beginning on March 15, 2007, however, Goldfield began purchasing large volumes of call options and stock in a joint account held in his and his wife's names, and also in an account held solely in his wife's name which he controlled.

27. In addition to providing information to Goldfield on or about March 12 or 13, 2007, Self periodically updated Goldfield on the status of the Company's work on the potential acquisition of MEDI during their regular telephone conversations. As a matter of routine, Self called Goldfield from his cellular telephone on his way to or from work each day, during which

he told Goldfield generally of the status of the project, including divulging nonpublic information about the progress and the status of the Company's bid to acquire MEDI.

28. During one such conversation regarding the MEDI project, in or around early April 2007, Self told Goldfield that the "weather was in the 50s" or words to that effect, conveying to Goldfield that the Company's bid for MEDI was going to be in the \$50s. At that time, MEDI stock was trading at approximately \$35-\$36 per share. At that time, neither the fact that the Company was a bidder nor the amount of the Company's bid were a matter of public record.

29. The confidential information that Self provided to Goldfield regarding the MEDI auction and acquisition was material. A reasonable investor would have viewed this information as being important to his or her investment decision or a significant alteration of the total mix of information made available to the public.

30. On the basis of the material nonpublic information learned from Self, Goldfield traded MEDI securities continuously from March 15, 2007 through April 20, 2007, the business day immediately preceding the announcement that AstraZeneca would acquire MEDI for \$58 per share. Goldfield made the following purchases in MEDI securities while in possession of material nonpublic information about the MEDI auction:

Date	Number	Type	Expiration Date	Strike Price	Price
March 15, 2007	500	Call options	April	\$32.50	\$1.65
March 19, 2007	300	Call options	May	\$35.00	\$1.19
March 20, 2007	800	Call options	May	\$35.00	\$0.95
March 21, 2007	250	Call options	May	\$35.00	\$1.22
March 21, 2007	24	Call options	June	\$40.00	\$0.40
March 28, 2007	1,515	Call options	June	\$40.00	\$0.88
March 28, 2007	200	Call options	May	\$40.00	\$0.60
March 29, 2007	1,500	Call options	June	\$40.00	\$0.80
March 29, 2007	500	Call options	May	\$40.00	\$0.70
March 30, 2007	500	Call options	May	\$40.00	\$0.95
April 3, 2007	250	Call options	May	\$40.00	\$1.00

Date	Number	Type	Expiration Date	Strike Price	Price
April 3, 2007	247	Call options	April	\$37.50	\$0.85
April 3, 2007	5,000	Common stock			\$35.76
April 4, 2007	7	Call options	June	\$40.00	\$1.00
April 4, 2007	250	Call options	May	\$40.00	\$0.85
April 4, 2007	250	Call options	April	\$35.00	\$1.50
April 4, 2007	15,000	Common stock			\$35.33
April 9, 2007	450	Call options	May	\$40.00	\$1.07
April 9, 2007	250	Call options	April	\$37.50	\$1.00
April 9, 2007	500	Call options	April	\$40.00	\$0.50
April 10, 2007	99	Call options	April	\$40.00	\$0.35
April 10, 2007	5,000	Common stock			\$37.00
April 11, 2007	250	Call options	April	\$40.00	\$0.30
April 13, 2007	1,565	Call options	May	\$50.00	\$0.33
April 13, 2007	1,100	Call options	May	\$47.50	\$0.83
April 16, 2007	2,000	Call options	May	\$50.00	\$0.40
April 16, 2007	10	Call options	May	\$47.50	\$0.75
April 17, 2007	815	Call options	May	\$50.00	\$0.40
April 17, 2008	500	Call options	May	\$47.50	\$1.10
April 20, 2007	2,300	Call options	April	\$47.50	\$0.69
April 20, 2007	230,000	Common stock			\$47.50

31. Goldfield occasionally sold some of his MEDI securities before April 23, 2007.

This allowed him to lock in profits and provided cash to buy call options with later expiration dates and/or higher strike prices in order to further maximize the total profits.

32. On April 20, 2007, one business day before the announcement on April 23 that AstraZeneca was acquiring MEDI, Goldfield purchased 2,300 in-the-money call options that were due to expire the following day and that would be automatically exercised. Goldfield purchased the 2,300 call options because he knew he did not have enough buying power in his account to buy 230,000 shares. However, the options automatically exercised and Goldfield knew that this would result in a margin call in his brokerage account and that he would be forced to sell MEDI shares to cover that margin call on Monday, April 23, the day of the MEDI

announcement. This trade was particularly risky because Goldfield would have suffered substantial losses had the share price decreased on Monday, April 23. Goldfield ultimately made approximately \$1.9 million in profits from this trade alone.

33. On April 23, 2007, MEDI announced that it had entered into an agreement with AstraZeneca to be acquired for \$58 per share. This announcement had a positive effect on MEDI stock. On April 23, 2007, MEDI stock closed at \$56.57, an 18% increase from the previous day's closing price of \$48.01. MEDI stock had been trading in the \$30-\$40 range in March of 2007, the time period during which Goldfield started to make many of his purchases. In addition, the volume increased approximately 955% from 14,038,300 on April 20, 2007, to 148,154,500 on April 23, 2007.

34. Goldfield closed out his MEDI position entirely within the four business days immediately following the April 23, 2007 announcement about the acquisition. From April 23 through April 26, 2007, Goldfield sold 9,986 MEDI call options and 230,000 shares of MEDI common stock. Goldfield realized actual profits of \$13,978,752 from his MEDI trading from March 15 through April 26, 2007.

35. By May 31, 2007, Goldfield lost all of the MEDI profits by aggressively trading index put options.

**C. Self and Goldfield Breached their Duties to Maintain Information About the Potential MEDI Acquisition in Confidence.**

36. During the relevant time period, the Company had an insider trading policy which specifically prohibited employees from disclosing confidential information to persons who did not have a need to know the information, and Self read, acknowledged, and accepted the Company's insider trading policy. In addition, on or about March 20, 2007, Self received a memorandum detailing the restrictions on the use of information relating to the MEDI auction

and potential acquisition. The memorandum reminded Self about the trading and confidentiality obligations that applied to the MEDI auction, and ordered that Self restrict information regarding the MEDI auction and potential acquisition to those who had an absolute need to know. Self also gave a presentation on insider trading to the deal team and received periodic reminders about the confidentiality of the MEDI information.

37. Self owed a duty to the Company to maintain the confidence of any nonpublic information about the MEDI auction and acquisition that he learned in the course of his employment and to abstain from disclosing that information to others.

38. Self knew that the information about the MEDI auction and acquisition that he learned in the course of his employment was material and nonpublic, and had been disclosed to him with the expectation that he owed, and would abide by, a fiduciary duty or similar duty of trust and confidence. By tipping this material nonpublic information about MEDI to Goldfield, who then traded on the basis of this information, Self misappropriated this information and knowingly or recklessly breached a duty to the Company.

39. Goldfield, who knowingly and recklessly received confidential information about the MEDI auction from Self, assumed the duty to maintain that information in confidence. Goldfield is an industry professional with a heightened awareness of the significance of major corporate transactions, and has specialized knowledge about the confidentiality and materiality of merger information. In addition, Goldfield knew that Self, due to his employment and position at the Company, had access to material nonpublic information about the MEDI auction, and that he was under a duty to keep that information confidential. Goldfield knew or should have known that by passing the information to Goldfield relating to the confidential auction by MEDI, Self was breaching a duty of confidentiality. By trading on the basis of this information,

Goldfield breached the duty he inherited from Self.

40. Self derived a direct or indirect reputational benefit by disclosing the material nonpublic information to Goldfield. Self disclosed the information to Goldfield to boost his reputation in Goldfield's eyes and to show Goldfield that he was working on important matters. In addition, Self and Goldfield explored business ventures and occasionally engaged in financial transactions with each other. Accordingly, by tipping Goldfield, Self received the benefit of maintaining a good relationship with his friend and business associate.

### **CLAIM FOR RELIEF**

#### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder**

41. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 40, inclusive, as if they were fully set forth herein.

42. Defendants Self and Goldfield by engaging in the conduct described above, knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

43. By engaging in the foregoing conduct, Defendants Self and Goldfield violated

Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

**PRAYER FOR RELIEF**

**WHEREFORE**, the Commission respectfully requests that this Court enter a Final Judgment:

**I.**

Permanently restraining and enjoining Defendants Self and Goldfield from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder;

**II.**

Ordering Defendant Goldfield to disgorge the unlawful trading profits derived from the activities set forth in this Complaint, together with prejudgment interest thereon;

**III.**

Ordering Defendants Self and Goldfield to pay a civil penalty pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

IV.

Granting such other and further relief as the Court may deem just and appropriate.

Respectfully submitted,

s/Scott A. Thompson

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IV.

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